

Business Formation Statistics: Research and Production

Discussant Comments

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Question 1

- We are now publishing the BFS series at a higher frequency (e.g. weekly, monthly) and with more geographic granularity (e.g. county). Are there other series you would like to see in the future?

“High Frequency, Timely Data”

- **We should distinguish the frequency of the data and the lag with which it is released.**
- Is there evidence that economic drivers of new business formation vary importantly at, say, a weekly frequency?
- On the other hand, timeliness of data – at whatever frequency – is always desirable. But perhaps it is only critical during periods (like now) of extreme uncertainty.

A Comparison to Initial UI Claims

- The most prominent weekly economic data [release](#) is Initial Claims for Unemployment Insurance
 - State-level data for the week ending on a Saturday are released the following Thursday and subject to one revision on the next Thursday.
 - But the weekly data are noisy and rarely used in economic analysis – more commonly used data series come from the monthly employment report.
 - In March 2020, the series values were 282k (3/14, released 3/19), 3.3m (3/21, 3/26), 6.9m (3/28, 4/2), and 6.6m (4/4, 4/9).

Where/How Does “Policy” Vary?

- **Over Time**

- At discrete points, due to legislation/regulation/catastrophes
- Seasonally (see Slide 11)
- Cyclically

- **By Jurisdiction**

- Certainly by State
- County would also be useful at a monthly frequency (MSAs, Rural)

Question 2

- **What uses of BFS do you see in your specific expertise/industry/practice?**
- **Do you think BFS might be helpful in your decision-making?**
- **What else would you like to see in BFS that would make it more useful to you?**

Some Initial Responses

- The long term polarization of economic experiences suggests the need for county level data at a higher frequency than annual.
- As in the current crisis, nearly real-time data on business conditions, complementing the Small Business Pulse Survey.
- Perhaps in response to natural disasters as well, if suitably localized.
- Continued research on the time-series properties of these statistics, as economic indicators and to understand the permanence of shocks to business formation.